



## TESTIMONY

of the

### CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

### PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

October 6, 2010

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 90% of Connecticut's population. We appreciate this opportunity to provide testimony to you on issues of concern to towns and cities.

The purpose of the **RBA Pilot Project Study 2010: DOT Project Delivery** is "to determine if DOT projects have been delivered efficiently, while taking into account state transportation system goals related to mobility, safety, quality, economic development, environmental protection, and public accountability."<sup>1</sup>

The improvement and maintenance of our state's entire public infrastructure, including local roads and bridges, is linked to economic development. Investment in the system as a whole will provide Connecticut with additional private-sector investment, create much-needed jobs and provide additional tax revenues to fund public services in our state.

CCM respectfully requests that the PRI Committee include in its report the significance of funding to local governments and the importance of maintaining the state's local road network as part of the state's transportation goals. Adequate State programs, such as TAR, LoCIP and the Local Bridge Program, are needed to assist municipalities in repairing and building the infrastructure necessary to sustain and invigorate the state and local economies.

#### **Condition of Local Roads and Bridges**

Connecticut's municipal governments own over 17,000 miles of local roads (more than four times as many as the State's 4,079) and are responsible for the construction and maintenance of over 1,200 local bridges greater than 20 feet in length, and another 2,100 between 6 feet and 20 feet. Those roads and bridges – an important part of the state transportation network – need help. State funding for these programs has fallen woefully behind. As recently as FY 2002 the State provided \$35 million to local governments through the primary grant program for local infrastructure, the Town Aid Roads (TAR) grant. That program was cut to just \$12 million in FY 2004. While it has been climbing slowly back (it is presently bond-funded at \$30 million) it has never returned to the \$35 million level.

The condition of municipal roads and bridges has deteriorated over the last decade. Traffic congestion on state highways, and increased use of the local road and bridge network, has accelerated their decline. The local transportation network has had to bear an increasing traffic load maintenance costs have assumed a larger share of repair costs. That has meant increased pressure on local budgets and deferred maintenance. Deferring work on roads

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<sup>1</sup> RBA Pilot Project Study 2010: DOT Project Delivery, Staff Interim Report

only increases the eventual cost of repair. So, while TAR, LoCIP and Local Bridge Program grants fell behind, local costs rose.

Over the past decade the State has made great strides in investing in the state-run portion of the transportation network, yet funding has been lagging for the local portion of the network.

### **Town Aid Roads**

The Town Aid Road grant (TAR) helps fund the construction, improvement and maintenance of the local roads and bridges. This money may also be used for a variety of programs related to roads, traffic, and parking. Local governments depend on TAR, so when TAR is cut or funding is stagnant, local road projects do not go forward, meaning the cost of repair will be even higher when finally undertaken. Shortchanging TAR is pennywise, pound-foolish.

The present biennial budget provides \$30 million for TAR in each year. This amount, constant since 2006, is still less than the amount that was allocated in FY 01-02 (\$35 million). Moreover, in 2003 the mid-year budget cuts slashed TAR funding to \$16 million for that year and just \$12 million for FY 2004. TAR funding has never recovered from the 2003 cuts.

### **LoCIP**

The **Local Capital Improvement Program (LoCIP)** is a state bond-funded program that distributes funds to municipalities to reimburse the cost of eligible local capital improvement projects such as road, bridge or public building construction activities. Statutes state specifically the type of projects for which LoCIP funds can be used. For example, LoCIP can be used to pay for such things as road, bridge or public building construction activities. LoCIP has been flat-funded at \$30 million since its inception.

While state aid for TAR has lagged, and LoCIP has stayed flat, the buying power of the dollar has weakened. The cost of current state projects has risen and there is no reason to think that the cost of local projects has not risen at the same rate. Sky-rocketing inflation and the slumping economy have pushed construction costs through the roof. In the meantime the flat level of funding is not keeping up with inflation and the rising costs of repair and maintenance. In constant 2002 dollars, \$30 million dollars in 2010 only translates to \$24.8 million, a loss of buying power of \$5.2 million – 17%.

### **Local Bridge Program**

The Local Bridge program provides for State financial assistance to municipalities for the removal, replacement, reconstruction or rehabilitation of local bridges. Under this program, a municipality may qualify for a grant ranging from 10% to 33%, and a loan of up to 50%, to cover eligible project costs.<sup>2</sup>

The 2008 tragic bridge collapse in Minnesota brought a new focus to the conditions of bridges in our own state. Connecticut's local bridges need help – about 30% of locally owned bridges are deficient and present safety dangers to the public as well as liability risks to municipalities.<sup>3</sup>

Not only has the state's Local Bridge Program has not received any new state bond authorizations since FY 1991; in 2009 the state raided the Local Bridge Revolving Fund for other uses. As a result of funding cuts directed by Public Act 09-2, this program is closed to new applications. That fund was dedicated to capital projects, and was being used to cover one-time operating expenses. As a result, the program now has about 60 grants, or supplemental grants, which have been on hold awaiting action by the State's Bond Commission. In the intervening years, projects

<sup>2</sup> Source: ConnDOT Local Bridge Program Manual, [http://www.ct.gov/dot/lib/dot/documents/dbridgepubs/FY\\_2011\\_Local\\_Bridge\\_Program\\_Manual.pdf](http://www.ct.gov/dot/lib/dot/documents/dbridgepubs/FY_2011_Local_Bridge_Program_Manual.pdf)

<sup>3</sup> Source: Connecticut Department of Transportation; Total Number of Locally Owned Bridges: 3,437 and the Total Number of Locally Owned Bridges that are Deficient: 1,026.

that received funding from the State were financed using repayments from loans for earlier projects or available federal funds. That is insufficient.

A renewed commitment to the state Local Bridge Program is crucial – there needs to be significant new funding and a reorganization of the program to make it more functional and useful to municipalities. The safety of the traveling public demands it.

### **Coordination with Local Governments for Economic Development**

One of the most important roles of the Department of Transportation is to work with local officials and other state agencies for approvals and permits so that municipal and economic-development projects can move forward. In the past the Department's reviews have been mixed – local officials and private sector developers have complained about the way in which the approval process bogs down.

It is important that your study examine and make recommendations for improving the coordination between DOT, other state agencies and local officials so that important projects move forward in a timely fashion.

### **SUMMARY**

With more road miles than the State, it is clear that investment in the local transportation network is essential for improving CT's economy.

Local governments depend on state-funded grants and programs such as TAR, LoCIP and the Local Bridge Program, to maintain the local road and bridge network. When these funds are cut the local governments must carry the burden.

In the current fiscal climate, municipalities are already struggling to stay afloat – services have been cut, employees laid off, positions frozen, and local property taxes increased. Municipal officials face such problems every day – the decisions they make affect businesses, homeowners and children and it becomes ever more difficult as costs and problems increase and state financial and technical assistance fail to keep pace.

A truly comprehensive plan to tackle infrastructure problems and streamline project administration must have, as a major focus, the local transportation network in Connecticut. It will not be inexpensive, but the costs of inaction are much higher and dire.

**We urge you to (1) include the needs of the local road and bridge network in any discussion of Connecticut's transportation system, and (2) examine and make recommendations for improving the coordination between DOT, other state agencies and local officials to expedite project approvals and permits.**

**Infrastructure development is integral for much-needed economic development. Thinking of the entire system as one state-local network can help Connecticut best move ahead to face the economic challenges of the next decades.**

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If you have any questions, please contact Donna Hamzy at dhamzy@ccm-ct.org or Gian-Carl Casa, Director of Public Policy and Advocacy for CCM at gcasa@ccm-ct.org.